

**SALES AND USE TAX REVIEW COMMISSION  
RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

**BILL NUMBER:**

A-881

**DATE OF INTRODUCTION:**

Pre-filed for Introduction in  
the 2008 Session

**SPONSOR:**

Assemblyman Albano

**DATE OF RECOMMENDATION:**

February 22, 2008

**IDENTICAL BILL:**

**COMMITTEE:**

**DESCRIPTION:**

The Bill excludes from sales tax health and fitness, athletic, sporting club and organization membership and initiation fees and dues.

**ANALYSIS:**

The New Jersey Sales and Use Tax Act was recently amended to impose tax on “initiation fees, membership fees or dues for access to or use of the property of facilities of a health and fitness, athletic, sporting or shopping club or organization in this State, except from membership in a club or organization whose members are predominantly age 18 or under.”

This proposal intends to narrow the scope of taxable memberships, initiation fees and dues by eliminating imposition on those sold by health and fitness, athletic and sporting clubs and organizations.

As this area of imposition was enacted effective October 1, 2006, this area is a new revenue source for the State. The Commission has not been presented with any reasoning compelling enough to support the repeal or chipping away of this new initiative.

**RECOMMENDATION:**

The Commission does not recommend enactment of this Bill.

**COMMISSION MEMBERS FOR PROPOSAL: 0**

**COMMISSION MEMBERS AGAINST PROPOSAL: 5**

**COMMISSION MEMBERS ABSTAINING: 0**